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AZ CORP COMMISSION  
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2013 APR 3 PM 3 18

COMMISSIONERS

BOB STUMP – Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION  
OF MONTEZUMA RIMROCK WATER  
COMPANY, LLC FOR APPROVAL OF  
FINANCING TO INSTALL A WATER LINE  
FROM THE WELL ON TIEMAN TO WELL  
NO. 1 ON TOWERS.

Docket No. W-04254A-12-0204

IN THE MATTER OF THE APPLICATION  
OF MONTEZUMA RIMROCK WATER  
COMPANY, LLC FOR APPROVAL OF  
FINANCING TO PURCHASE THE WELL  
NO. 4 SITE AND THE COMPANY  
VEHICLE.

Docket No. W-04254A-12-0205

IN THE MATTER OF THE APPLICATION  
OF MONTEZUMA RIMROCK WATER  
COMPANY, LLC FOR APPROVAL OF  
FINANCING FOR AN 8,000-GALLON  
HYDRO-PNEUMATIC TANK.

Docket No. W-04254A-12-0206

IN THE MATTER OF THE RATE  
APPLICATION OF MONTEZUMA  
RIMROCK WATER COMPANY, LLC.

Docket No. W-04254A-12-0207

JOHN E. DOUGHERTY,  
  
COMPLAINANT,

Docket No. W-04254A-11-0323

V.

MONTEZUMA RIMROCK WATER  
COMPANY, LLC

RESPONDENT

Arizona Corporation Commission  
**DOCKETED**

APR 03 2013



1 IN THE MATTER OF THE APPLICATION  
2 OF MONTEZUMA RIMROCK WATER  
3 COMPANY, LLC FOR APPROVAL OF A  
RATE INCREASE.

Docket No. W-04254A -08-0361

4 IN THE MATTER OF THE APPLICATION  
5 OF MONTEZUMA RIMROCK WATER  
6 COMPANY, LLC FOR APPROVAL OF A  
FINANCING APPLICATION.

Docket No. W-04254A -08-0362

**NOTICE OF FILING**

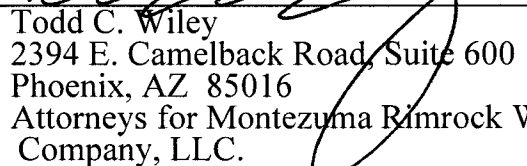
7 In accordance with the procedural order dated March 21, 2013, Montezuma  
8 Rimrock Water Company LLC hereby provides notice that it previously provided public  
9 notice in accordance with the February procedural orders to customers via a billing insert  
10 and in the Camp Verde Journal on March 13, 2013. A copy of the Affidavit of  
11 Publication for the Camp Verde Journal is attached as Exhibit A.

12 Following the March 21, 2013 procedural order, the Company provided a revised  
13 public notice as a billing insert to customers in billings sent out on March 28, 2013. A  
14 copy of that public notice is attached as Exhibit B. MRWC is in the process of  
15 publishing that public notice in a local newspaper and will provide an affidavit of  
16 publication after publication in such newspaper.

17 RESPECTFULLY SUBMITTED this 3<sup>rd</sup> day of April, 2013.

18 FENNEMORE CRAIG

19  
20  
21 By

  
Todd C. Wiley  
2394 E. Camelback Road, Suite 600  
Phoenix, AZ 85016  
Attorneys for Montezuma Rimrock Water  
Company, LLC.

1 An original and 13 copies  
2 of the foregoing was filed  
3 this 3<sup>rd</sup> day of April, 2013,  
4 with:

5 Docket Control  
6 Arizona Corporation Commission  
7 1200 West Washington Street  
8 Phoenix, Arizona 85007

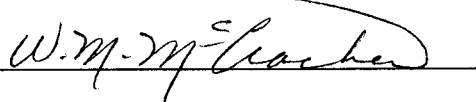
9 A copy of the foregoing  
10 was hand delivered/mailed/mailed this  
11 3<sup>rd</sup> day of April, 2013, to:

12 Sarah N. Harpring  
13 Administrative Law Judge  
14 Arizona Corporation Commission  
15 1200 W. Washington  
16 Phoenix, Arizona 85007

17 Charles Hains  
18 Wes Van Cleve  
19 Legal Division  
20 Arizona Corporation Commission  
21 1200 W. Washington  
22 Phoenix, Arizona 85007

23 Steve Olea  
24 Utilities Division  
25 Arizona Corporation Commission  
26 1200 W. Washington  
Phoenix, Arizona 85007

John E. Dougherty, III  
P.O. Box 501  
Rimrock, Arizona 86335

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21

8052342.1

# **EXHIBIT A**

**AFFIDAVIT OF PUBLICATION**

**PUBLIC NOTICES**

PUBLIC NOTICE OF A HEARING ON THE APPLICATIONS OF MONTEZUMA RIMROCK WATER COMPANY, LLC FOR AN INCREASE IN RATES AND APPROVAL OF FINANCINGS; THE COMPLAINT OF JOHN DOUGHERTY VS. MONTEZUMA RIMROCK WATER COMPANY, LLC; & THE POTENTIAL MODIFICATION OF DECISION NO. 71317 (Docket Nos. W-04254A-12-0204 et al.)

UNDER A.R.S. & 40-252.

Montezuma Rimrock Water Company, LLC ("Montezuma") has filed with the Arizona Corporation Commission ("Commission") applications requesting: (1) approval of a loan agreement in which Montezuma promises to pay Rask Construction the sum of \$68,592 with interest for installation of water line from the well on Tieman to Well No. 1 on Towers; (2) approval of a loan agreement in which Montezuma promises to pay Patricia Olsen, Montezuma's owner, the sum of \$21,377 with interest for the purchase of the Well No. 4 site and a company vehicle; (3) approval of a loan agreement in which Montezuma promises to pay Sergei Arias the sum of \$15,000 with interest for the purchase of an 8,000-gallon hydro-pneumatic tank to provide additional water storage to Montezuma's system; and (4) approval of a rate increase to generate revenues at least \$76,800 higher than reported 2011 test year revenues of \$101,276, in addition to a surcharge of \$6.57 per month per customer for legal fees and a surcharge of \$6.04 per month per customer for storage tank replacement.

For a customer served by a 5/8" x 3/4" meter with monthly usage of 5,250 gallons, Montezuma's requested rates and charges would increase the monthly bill from \$36.38 to \$68.38. With the addition of the requested surcharges, the monthly bill would total \$80.99.

The Commission's Utilities Division ("Staff") has issued a Letter of Sufficiency classifying Montezuma as a Class D utility, but is still in the process of reviewing Montezuma's rate and financing applications and has not yet provided any recommendations related thereto. Both John Dougherty and the Residential Utility Consumer Office ("RUCO") have been granted intervention in these matters.

Mr. Dougherty has filed a formal complaint against Montezuma alleging misconduct and mismanagement and requesting that Staff issue an Order to Show Cause to revoke Montezuma's Certificate of Convenience and Necessity to operate as a water utility, along with other sanctions. The formal complaint will be considered along with the rate and financing applications.

The Commission has reopened Decision No. 71317 (October 30, 2009), issued in Montezuma's last rate and financing case, to determine whether

submitted by mailing a letter referencing Docket Nos. W-04254A-12-0204 et al. to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, Arizona 85007. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

**ADA/Equal Access Information**

The Commission does not discriminate on the basis of disability in admission to its Public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail SABernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

Publish: March 13, 2013.

**PUBLIC NOTICES**

STATE OF ARIZONA )  
 ) ss.  
COUNTY OF YAVAPAI )

I, ROBERT B. LARSON, Publisher of the  
THE CAMP VERDE JOURNAL,

a newspaper of general circulation, printed  
and published in the County of Yavapai,  
State of Arizona, do solemnly swear that a  
copy of the attached notice, in the matter of

NOTICE OF PUBLIC HEARING  
MONTEZUMA RIMROCK WATER CO.  
May 3, 2013

as per clipping attached, was published in the  
regular and entire section of said newspaper,  
and not in any supplement thereof, on the  
following schedule:

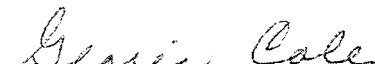
March 13, 2013



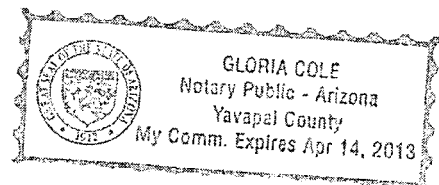
ROBERT B. LARSON, Publisher

Subscribed and sworn to before me this

13 day of March, 2013.



Notary Public



will be considered along with the current rate and financing applications.

The Commission has reopened Decision No. 71317 (October 30, 2009), issued in Montezuma's last rate and financing case, to determine whether to modify the decision concerning financing approval and related provisions. Montezuma had requested that the decision be reopened so that it could be authorized to fund an arsenic treatment project through means other than a loan from the Water Infrastructure Finance Authority of Arizona ("WIFA"). The issue of modifying Decision No. 71317 will be considered along with the current rate and financing applications and the formal complaint.

THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY MONTEZUMA, STAFF, MR. DOUGHERTY, OR RUCO. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED BASED ON THE EVIDENCE PRESENTED BY THE PARTIES AT HEARING. THE FINAL RATES AND CHARGES APPROVED BY THE COMMISSION MAY DIFFER FROM, AND MAY BE HIGHER OR LOWER THAN, THE RATES AND CHARGES REQUIRED BY MONTEZUMA OR RECOMMENDED BY OTHER PARTIES. THE RELIEF ORDERED BY THE COMMISSION AS TO THE FORMAL COMPLAINT AND THE REQUEST FOR MODIFICATION OF DECISION NO. 71317 MAY DIFFER FROM THE RELIEF REQUESTED BY THE PARTIES.

If you have any questions concerning how Montezuma's applications would affect your bill, or you have other substantive questions about Montezuma's applications, you may contact Montezuma at 3031 E. Beaver Creek Road, Rimrock, AZ 86335; 928-592-9211.

How You Can View or Obtain a Copy of Documents

Copies of the applications, the formal complaint, and the other documents filed in the dockets related to them are available for inspection during regular business hours at Montezuma's offices, 3031 E. Beaver Creek Road, Rimrock, AZ 86335; and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona. Copies of all of these filed documents are also available on the Internet via the Commission's website ([www.azcc.gov](http://www.azcc.gov)) by selecting the eDocket function at the bottom of the page, entering 12-0204 in the search box on eDocket's main page, using the Linked Documents tab to view the multiple consolidated dockets, and using the Documents tab for each docket to view the documents filed therein.

Public Hearing; Information

The Commission will hold a hearing on these matters beginning on May 3, 2013, at 10:00 a.m., in Hearing Room No. 2 at the Commission's offices at 1200 West Washington, Phoenix, Arizona 85007. Public comments will be taken at the beginning of the hearing.

Written public comments may be

## **EXHIBIT B**

ARIZONA CORPORATION COMMISSION

CERTIFICATE OF PUBLIC NOTICE

APPLICANT'S NAME: PATRICIA D. OLSEN

BUSINESS NAME: MONTEZUMA RIMROCK WATER COMPANY LLC

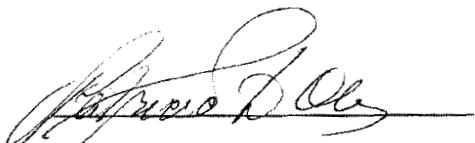
On March 28, 2013, I mailed a copy of the attached Public Notice. A copy of the attached notice was mailed to each customer along with their billing statement.

March 29, 2013

Date

Patricia D. Olsen, Manager

Name and Title

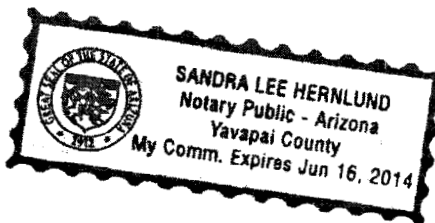
  
Signature

*Sworn before me  
April 1, 2013*

*Sandra Lee Hernlund*

*my commission expires:*

*June 16, 2014*





**PUBLIC NOTICE OF A HEARING ON THE APPLICATIONS OF**  
**MONTEZUMA RIMROCK WATER COMPANY, LLC FOR AN**  
**INCREASE IN RATES AND APPROVAL OF FINANCINGS;**  
**THE COMPLAINT OF JOHN DOUGHERTY VS.**  
**MONTEZUMA RIMROCK WATER COMPANY, LLC; & THE**  
**POTENTIAL MODIFICATION OF DECISION NO. 71317**  
**(Docket Nos. W-04254A-12-0204 et al.)**  
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**Public Hearing: Information**

The Commission will hold a hearing on these matters beginning **on June 20, 2013**, at **10:00 a.m.**, in Hearing Room No. 2 at the Commission's offices at 1200 West Washington, Phoenix, Arizona 85007. Public comments will be taken at the beginning of the hearing.

Written public comments may be submitted by mailing a letter referencing Docket Nos. W-04254A- 12-0204 et al. to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, Arizona 85007. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

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